

(Draft - Awaiting Formal Approval)
MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE
Wednesday, August 19, 2009 – 9:00 a.m. – Room 210 Senate Building

Members Present:

Sen. John L. Valentine, Senate Chair
Rep. James A. Dunnigan, House Chair
Sen. Gene Davis
Sen. Daniel R. Liljenquist
Sen. Karen Mayne
Sen. Wayne L. Niederhauser
Rep. Jackie Biskupski
Rep. Stephen D. Clark
Rep. Jack R. Draxler
Rep. Susan Duckworth
Rep. Gage Froerer
Rep. Francis D. Gibson

Rep. Neil A. Hansen
Rep. Todd E. Kiser
Rep. David Litvack
Rep. Steven R. Mascaro
Rep. Michael T. Morley
Rep. Patrick Painter
Rep. C. Brent Wallis

Staff Present:

Mr. Bryant R. Howe, Assistant Director
Ms. Patricia Owen, Associate General Counsel
Ms. Phalin L. Flowers, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Dunnigan called the meeting to order at 9:06 a.m.

MOTION: Rep. Hansen moved to approve the minutes of the June 17, 2009 meeting. The motion passed unanimously with Sen. Davis, Sen. Mayne, Sen. Valentine, Rep. Clark, Rep. Litvack, Rep. Morley, and Rep. Painter absent for the vote.

2. Sunset Review: Comparison Tables Produced by the Insurance Department

Mr. Brad Tibbits, Director, Life, Property, and Casualty Insurance Division, Utah Insurance Department, updated the Committee on the cost of producing the insurance comparison tables and the number of "hits" on the website where the tables are published. He noted that the Department supports providing the tables to consumers.

Sen. Niederhauser said that an internet link to the tables will be added to the state's government transparency website.

MOTION: Rep. Kiser moved to reauthorize for five years Section 31A-2-208.5, which requires the Utah Insurance Department to produce insurance comparison tables. The motion passed unanimously with Sen. Davis, Sen. Mayne, Sen. Valentine, Rep. Clark, Rep. Draxler, Rep. Litvack, Rep. Morley, and Rep. Painter absent for the vote.

3. Insurance Issues

A. Implementation of the Utah Defined Contribution Risk Adjuster

Mr. Mark Brown, Chair, Board of Directors, Utah Defined Contribution Risk Adjuster, distributed and discussed "Risk Adjuster Update." He also answered questions from committee members.

B. Health Insurance Mandates Review by the Business and Labor Interim Committee

Ms. Owen discussed "Overview: Legislative Interim Committee Review of Health Insurance Mandates," which was included in the mailing packet.

Mr. John "Mickey" Braun, Assistant Commissioner, Utah Insurance Department, said the Department has no recommendations on what mandates should or should not be studied at this time, but noted that the Department's resources are involved heavily in the Health System Reform Task Force.

C. Utah Insurance Department Legislative Priorities for the 2010 General Session

Mr. Braun reviewed the general topics of the legislation the Utah Insurance Department is anticipating proposing for the 2010 General Session. The possible legislation included a technical standardization of the Insurance Code, the traditional "clean-up" bill, and a bill updating guaranty association provisions.

D. Performance Audit of the Insurance Fraud Division

Ms. Janice Coleman, Audit Supervisor, Office of the Legislative Auditor General, presented "A Performance Audit of the Insurance Fraud Division." She reviewed the findings of the audit and the recommendations the Office of the Legislative Auditor General made to the Insurance Fraud Division.

Mr. Neal Gooch, Deputy Commissioner, Utah Insurance Department, said the Department welcomed the findings of the audit and has created guidelines and identified weaknesses that need to be addressed. He noted that the audit made no findings of intentional misconduct.

Mr. Armand Glick, Director, Insurance Fraud Division, Utah Insurance Department, said the audit has been valuable to the Division, and the Division sees it as an opportunity to correct weaknesses and improve professionalism. He noted that the Division had addressed five of the seven audit concerns before the release of the audit.

Mr. Tim Osterstock, Audit Manager, Office of the Legislative Auditor General, spoke to the Committee about the reasons the audit found the Division had drifted from its mission.

Mr. John Schaff, Legislative Auditor General, said his office will do a follow up audit of the Division within a year. He noted that the Division is moving in the right direction and he believes the Division will make necessary changes.

4. Implementation of 2009 General Session S.B. 211, "Building Code Amendments"

Ms. Owen distributed and discussed "Timelines: Adopting a State Construction or Fire Code."

Mr. Kenneth Naylor, representing American Institute of Architects, voiced concerns with 2009 General Session S.B. 211 regarding changes to building codes. He spoke in support of the Uniform Building Code Commission reviewing code changes before they are considered by the Legislature.

Chair Dunnigan turned the chair to Sen. Valentine.

5. Alcoholic Beverage Control Related Issues

Ms. Owen updated the Committee on the timelines involved in updating the Alcoholic Beverage Control Act.

6. Other Items / Adjourn

MOTION: Rep. Mascaro moved to adjourn the meeting. The motion passed unanimously with Sen. Davis, Sen. Liljenquist, Sen. Niederhauser, Rep. Biskupski, Rep. Draxler, Rep. Dunnigan, Rep. Froerer, Rep. Litvack, and Rep. Painter absent for the vote.

Chair Valentine adjourned the meeting at 11:48 a.m.